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ODP-83-1579
14 November 1983

MEMORANDUM FOR THE RECORD

SUBJECT: Agency Efforts to Place the Burroughs Computer Systems Excess to the SAFE Project within the Intelligence Community.

PURPOSE

1. The purpose of this memorandum is to document the Government's efforts to assist in the Intelligence Community (IC) placement of the Burroughs Corporation computer systems that became excess due to redirection of the joint CIA/DIA Support to the Analyst File Environment (SAFE) Project. The effort culminated in August 1983 with the placement of seven systems within the IC and the release of the remaining four systems to the General Services Administration (GSA) for reassignment to other Governmental entities. These four remaining systems were recently placed by GSA in the U.S. Patent Office (2), Coast Guard (1), and Air Force (1) facilities.

BACKGROUND

2. TRW Inc, the SAFE development contractor, awarded a contract to Burroughs Corporation in 1980 to provide the SAFE computer hardware. In mid-1982, the Director of Central Intelligence and the Director of the Defense Intelligence Agency (DIA), upon the recommendation of an inter-agency audit team,

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redirected the consolidated SAFE development effort to a less risky approach that would provide an earlier capability for both CIA and DIA, and would build upon existing software available through CIA's operational Interim SAFE capability. The new approach required IBM-compatible hardware, causing the Burroughs computer hardware to become excess to SAFE Project requirements. At that time TRW was directed to terminate the contract with Burroughs Corporation to provide the SAFE hardware. The final termination agreement between TRW and Burroughs Corporation was completed in the spring of 1983. Although the mutual release and settlement agreement between TRW and Burroughs Corporation did not explicitly state any Government obligation to assist in the reassignment of the excess hardware within the IC, communications, during the final settlement process between the Government, TRW and Burroughs Corporation, committed the Government to a best effort level of assistance to achieve that goal. The letter to Mr. Stuart Johnson of Burroughs Corporation from TRW (83.35656.06-036) spelled out the Government commitment.

3. For perspective, it is important to note that the main thrust of the Agency's efforts could only be to insure that Intelligence Community agencies were fully aware of the equipment availability, the favorable acquisition terms, and to provide assistance in any resulting transfer. The inherent nature of the IC is such that neither CIA, DIA or the IC Staff are in a position to actually direct IC members to acquire specific hardware. (Even if this were possible, it obviously would not be a useful strategy.) The same is true within CIA and DIA. It would clearly have been counter-productive for CIA or DIA senior management to direct unwilling components to utilize this equipment. Therefore, the goal, from the CIA/DIA perspective, was to insure the widest dissemination in the IC of the equipment availability. It is also important to point out that within Burroughs Corporation there is a marketing group which is targeted at the IC. This group should have been aware of, and talking to, IC installations that could have most likely utilized the excess Burroughs hardware.

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4. The ODP Management Staff has responsibility for managing the Agency-wide Automatic Data Processing (ADP) resources reutilization program and through this capacity was tasked to manage the disposition of the excess Burroughs computer systems.

5. The initial equipment inventory was seven B6900s and one Dual B7800 computer system. There were also three additional B6900 systems (undelivered) that became Government property as a result of the final contract settlement. These systems became available for reassignment in the spring of 1983 at the completion of the settlement negotiations. The acquisition cost of the eleven systems was $3,857,941 (this represented a 70% discount of the 1980 GSA schedule price.) The acquisition cost of the seven systems placed within the IC was $3,329,941.

PLACEMENT EFFORTS

6. The search for candidate placement agencies within the IC began in August 1982, shortly after the redirection of the SAFE Project was formalized. There were three basic channels of communications used to insure that the equipment availability was fully advertised throughout the IC.

(a) First, CIA requested assistance from the IC Staff and NSA to announce the availability of the systems to their contacts in the IC. This approach insured that almost all of the IC would be aware of the equipment availability. The Agency then fielded any requests for further information and placed them in contact with the Burroughs marketing representative to follow-up on technical considerations.

(b) Secondly, we fielded queries from IC members as the Burroughs Corporation's marketing team made IC members aware of the equipment availability. We verified equipment availability to the members and provided assistance as needed.

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(c) The third approach was accomplished in parallel with the other two and involved directly contacting IC components to advise of the equipment availability. Both IC and non-IC Government agencies were contacted. (Note --- a definition of what constituted IC entities for equipment placement purposes was never formally developed. However, from the Agency's perspective, it included the traditional National Foreign Intelligence Board entities plus any other Government entity that Burroughs Corporation indicated to us as being acceptable.)

7. In order to document that the Government provided 'best effort' at placing the systems in the IC per the contract termination agreement the following is ODP Management Staff's major activities and those known activities of the IC, NSA, DIA, Burroughs Corporation, and others, to announce the availability of the Burroughs equipment. (Note --- there were, of course, much activity within the IC components and other agencies relative to this effort that the CIA was not directly aware of but must be assumed occurred due to the inquiries received from various levels within interested agencies.)

(a) The IC staff (ICS), specifically [redacted] STAT
Chairman, Intelligence Information Handling Committee (IHC), was given the background of the SAFE redirection and equipment availability on 15 August 1982. Initial inventories of the available equipment were obtained and forwarded to [redacted] on STAT
STAT 27 August 1982. [redacted] his staff provided excellence support through announcements of equipment availability to their IC/IHC contacts. Since the IHC is representative of the ADP organizations within the IC, the members were all aware of the equipment availability. Through ICS efforts the Navy became aware of the equipment and eventually acquired two B6900 systems to upgrade and augment current systems of the Navy Supply Systems Command that provide support to the IC. [redacted] STAT
concluded IC efforts to place the available systems on 18 July

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1983. The IC had intensified their efforts over those last 45 days to place the systems. Six agencies (INS, DEA, Treasury, Customs, Coast Guard and the Vice President's office) give serious consideration to utilizing the hardware but none chose to acquire the systems. A substantial effort was made by the IC to place the systems in the newly organized narcotics interdiction effort being headed up by the Vice President [redacted] This effort was unsuccessful due to the absence of firm ADP requirements at this early juncture in the unit's formation. [redacted] indicated to ODP via memorandum her perceptions that a more then adequate attempt had been made to place these systems within the Intelligence Community as defined by Burroughs Corporation. STAT STAT

(b) The equipment availability was announced to CIA components via contacts in the ADP equipment reutilization program. Two responses were received: an Office of Sigint Operations group and a Operations Directorate component expressed interest. However, both organization were looking for smaller equipment due to physical space limitations, and also required the equipment to operate in an office environment rather then computer facility. The other major information processing components in the Agency, such as the National Photographic Interpretation Center, the Office of Development and Engineering, Office of Research and Development, and the Office of Data Processing did not have requirements/equipment fits for the Burroughs systems, due primarily to incompatibilities with their existing equipment. The corporate systems users (corporate systems seems to be Burroughs Corporation's forte) within the Agency have most of their applications installed on ODP's IBM-compatible centralized computer facility. The few exceptions of decentralized non IBM-compatible small corporate systems within the Agency were either not scheduled for upgrade/replacement or the equipment was not sized properly for a requirements fit.

(c) Mr. Fitzwater, CIA's Deputy Director for Administration, telephoned NSA on approximately 15 August 1983 to provide

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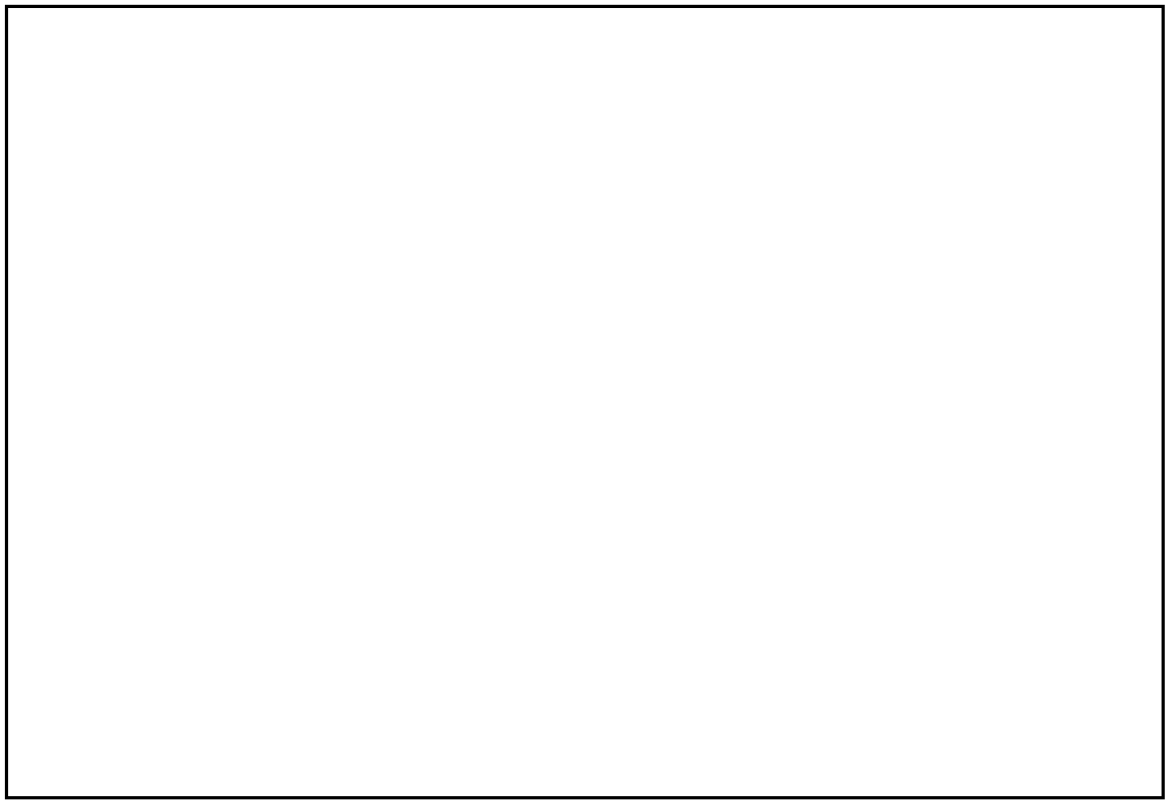

(d) The Vice Directorate for Foreign Intelligence of DIA had previously acquired a Burroughs B6900 system from the SAFE Burroughs equipment inventory. This system DIA retains at Arlington Hall Station to support a sensitive database application. DIA, when the redirection of SAFE occurred, also announced the availability of the Burroughs systems within their organization. The announcement was [redacted] at that time the Executive Director for DIA Systems. (Note --- this is the organization within DIA with budget approval responsibilty for

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ADP acquisitions.)

(e) Other agencies were contacted by Management Staff after being identified as a current Burroughs equipment user. Special reports were requested from the GSA's ADPMIS to identify users of Burroughs equipment within the Federal Government and the designated ADPMIS official was then contacted. Several Air Force, Navy and Justice Department installations were contacted in this manner.

(f) During the placement effort the Burroughs SAFE Manager and the Management Staff met regularly to discuss our mutual activities to place the excess equipment within the IC. Throughout the effort Burroughs Corporation and management Staff exchange telephone numbers of interested parties and both than followed up directly. Also, Burroughs Corporation's federal marketeers were very active in considering the excess systems as candidates for upgrades to installed systems in the IC and other Government organizations. I believe it is a credit to the Burroughs federal marketing group that these excess 'Government-owned systems' were serious considered over new revenue sales for system upgrades in the IC. The acquisition of two B6900 systems from the SAFE inventory by the Defense Mapping Agency (DMA) is an example of the above and will represent considerable savings to the Government. These actions also reaffirmed Burroughs good faith commitment to equipment placement within the IC.

OTHER RELATED ACTIVITES

8. The redirection of the SAFE Project included the movement of the majority of the development activities to the Washington D.C. area and the eventual closedown of the TRW West Coast SAFE facility. Five B6900 and one dual B7800 computer systems were installed in the west coast facility at the time of the redirection. The stop-work and stop-delivery notifications coupled with the movement of staff to other jobs as contract

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termination and/or redirection became apparent made the availability of accurate equipment inventories difficult. Upon reaching a certain point in the final settlement negotiation, arrangements were made by Management Staff to provide access to the site by Burroughs Corporation personnel. Burroughs Corporation personnel, remaining knowledgeable TRW personnel and a Management Staff representative visited the development facility site to obtain an accurate inventory, tag the equipment by systems and to determine and include all field changes to the systems. Navy and NSA representatives were also invited to perform inventories prior to transfer of the equipment to their organizations. The Burroughs Corporation representatives visited the site again in July 1983 to disassemble and pack the systems for shipment to Navy and NSA prior to site closedown. The three remaining B6900 systems located at the TRW development facility were eventually placed into commercial storage in order to allow the facility to be closed. These systems were transferred to the control of GSA in August 1983.

SUMMARY

9. Seven of the eleven systems were placed in IC organizations (NSA, Navy, DMA and DIA) which were acceptable to the terms of the contract final settlement agreement. The remaining four systems were released to GSA after it became clear to the Government and Burroughs Corporation that additional systems could not be placed in the IC in a timely manner. CIA recovered $137,000 from NSA and the Navy which was then reinserted into the SAFE project development effort. This recovery would not have been possible if all of the systems had been released to GSA for reutilization. The Burroughs Corporation seems to be satisfied that the Government did indeed provide their 'best effort' at placing the systems in the IC. Finally, in looking at the requirements that the systems placed in the IC will fulfill, I feel they will be productively utilized, and in some cases, provide needed additional computer capacity where it would otherwise not have

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NO CONTRACT

been possible due to funding limitations.

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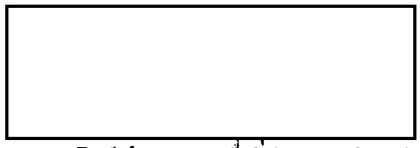

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NO CONTRACT

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